

IT-611

CORPORATION

Georgia Income Tax

Forms for 1999

AND GENERAL INSTRUCTIONS



FROM THE COMMISSIONER

CONTENTS

This booklet has been designed for Corporations to assist them in complying with the obligation to file Georgia corporate tax returns. It contains the forms and schedules needed by most Corporations. On page 7, you will find a "New Information" section that may affect your business.

During the upcoming filing season, our goal is to help you get the information that you need as efficiently and effectively as possible. To further that goal, we have instituted two new ways for taxpayers to quickly access tax forms and related information. First, you can use the Internet to contact our popular website at <http://www2.state.ga.us/departments/dor/>. Second, you may call (404) 656-4293 to order forms either by leaving a voice message or by using our new Fax-On-Demand system.

Everyone at the Department of Revenue is committed to providing prompt, courteous service. Telephone numbers are provided on page 5 of this booklet that you may find helpful during the coming tax season.

T. JERRY JACKSON
Commissioner

PAGE

Filing Requirements.....	1
When and Where to File	1
Extension to File Return	1 & 5
Penalties and Interest.....	1
Computation of Income Tax.....	1
Adjustments to Federal Income	1 & 2
Allocation and Apportionment of Income	2
Net Worth Tax Instructions.....	3
Payment of Tax Before Return is Filed (Form 560-C)	4
Telephone Assistance.....	5
Tax Credits/Business Incentives.....	6
Tax Exempt Organizations	7
New Information.....	7
Estimated Income Tax.....	8 & 9
Basic Skills Credit.....	10
Double Check List and Common Errors.....	10
Georgia Job Tax Credit.....	6
Child Care Credit	11

INCOME TAX

INTRODUCTION

The following instructions apply to two separate taxes on corporations. One is an income tax at a rate of 6% on taxable income. The second is a graduated tax based on corporate net worth. The instructions for the net worth tax are on page 3.

Both taxes must be paid annually, and Schedule 3 of the return is designed to combine the liabilities, any penalty and interest due, and the credits for prepayment, resulting in a single balance due or overpayment.

The 1999 General Assembly updated the Georgia Income Tax Code to closely follow the Internal Revenue Code of 1986 as it existed on January 1, 1999.

FILING REQUIREMENTS

All corporations owning property or doing business within Georgia are required to file a Georgia Income Tax return. Please round all dollar entries. A corporation electing to file under the Internal Revenue Code provisions for S corporations, having one or more stockholders who are nonresidents of Georgia, must file consent, Form 600 S-CA, on behalf of each such nonresident. Failure to furnish properly executed Forms 600 S-CA for all non-resident stockholders negates Georgia recognition of the election, requiring each corporation to file on Form 600, and to pay the regular corporate tax.

WHEN AND WHERE TO FILE

The return is due on or before the 15th day of the 3rd month following the close of the taxable year. This means March 15th, if on the calendar year basis. Returns should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397.

EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due and show that the delay is due to a reasonable cause. The Georgia Law prohibits the granting of an extension of over 6 months from the due date of the return.

If taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for Federal extension to be attached to the Georgia return. The form IT-560-C is to be used to submit any payment of tax when an extension is requested or in force. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

LATE PAYMENT PENALTY

A taxpayer having a Federal extension must also prepay the Georgia tax accompanying such remittance with Form 560-C. On Form 600, credit for such prepayment should be claimed on line 3, Schedule 3. If tax is not paid by the statutory due date of the return, a late payment penalty of 1/2 of 1% per month will accrue until tax is paid. This penalty will accrue from the statutory due date regardless of any extension for filing the return.

PENALTIES AND INTEREST

The Georgia Code imposes certain penalties, which must be assessed as follows:

Delinquent filing of return—5% of the tax shown on the return for each month or fractional part thereof—up to 25%.

Failure to pay tax shown on a return by the due date—1/2 of 1% of the tax due for each month or fractional part thereof—up to 25%.

Other penalties are also provided, as follows:

Negligent underpayment of tax—5% of the underpayment.

Fraudulent underpayment—50% thereof.

Interest accrues at the rate of 12% per year from the due

date for payment to the date paid. An extension of time for filing does not alter the interest charge, nor the penalty for late payment of tax.

COMPUTATION OF TAX

The Georgia income tax is 6% of the Georgia taxable income shown on line 7, Schedule 1. The amount of tax must be entered on line 8, Schedule 1 and on line 1 of Schedule 3.

RELATION TO FEDERAL RETURN

The Georgia return is correlative with the Federal return in most respects. The taxable income shown on the Federal return is the basis of the Georgia taxable income, with only a few adjustments outlined in the following section. The accounting period and method for the Georgia return must be the same as the Federal. The Federal principles pertaining to execution of the return by an officer and the preparer apply to Georgia returns. A copy of the Federal return and all supporting schedules must be attached to the Georgia return.

If two or more corporations file Federal income tax returns on a consolidated basis and all such corporations derive all of their income from sources within Georgia, the corporations must file a consolidated return for Georgia income tax purposes. However, a separate net worth tax return must be filed by each subsidiary. The parent corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

Affiliated corporations which file a consolidated Federal income tax return, but derive income from sources outside this State, must file separate income tax returns with Georgia unless they have prior approval or have been requested to file a consolidated return by the Commissioner of Revenue.

When a taxpayer entitled to a carryback period for a net operating loss elects under I.R.C. Section 172(b)(3)(c) to forego the entire carryback period and carryforward only, such election is binding on the Georgia return.

If a Federal audit results in a change in taxable income, the taxpayer shall make a return to the commissioner, of the changed or corrected net income, within 180 days of final determination to: Georgia Income Tax Division, P.O. Box 38467, Atlanta, Georgia 30334.

ADJUSTMENT TO FEDERAL INCOME

The Federal taxable income is the basis of computation of Georgia taxable income. Lines 2 and 4 of Schedule 1 are provided for the modifications required by Georgia Law. The total of additions to Federal income is to be shown on line 2, Schedule 1 and listed in Schedule 4. The total of subtractions from Federal income is to be shown on line 4, Schedule 1, and listed in Schedule 5. The more commonly used items are listed in each of these schedules.

A corporation which is a party to state contracts may subtract from Federal taxable income 10% of qualified payments to minority subcontractors or \$100,000, whichever is less, per taxable year. A list of certified minority subcontractors will be maintained by the Commissioner of Administrative Services for the Revenue Department and general public. (For further information, call (404) 656-6315.)

If you claim a net operating loss deduction, you must file a complete statement as to sources of such deduction.

Corporations doing business both within and without Georgia incurring a loss shall compute the net operating loss carryover deduction by allocating to Georgia only the amount of the loss attributable to operations within Georgia. Such deduction shall be entered in line 8, Schedule 7.

A net operating loss sustained for the current taxable year must be carried back and forward in the procedural sequence of taxable periods provided by Section 172 of the Internal Revenue Code of 1986, as it existed on January 1, 1999, and as adopted by Section 48-7-21 of the income tax laws of Georgia.

Georgia Taxes Deductible. There shall be added to taxable income any taxes on, or measured by, net income or net profits paid or accrued within the taxable year imposed by the authority of the United States or any foreign country, or by any state except the State of Georgia, or by any territory, county, school district, municipality, or other tax subdivision of any state, territory, or foreign country to the extent such taxes are deducted in determining federal taxable income. This includes federal environmental tax.

Where salaries and wages are reduced on the federal return in computing federal taxable income because of a Federal jobs tax credit the eliminated salary and wage deduction should be listed in Schedule 5 as a subtraction from Federal taxable income.

ALLOCATION AND APPORTIONMENT OF INCOME

If any corporation, domestic or foreign, is doing business both within and without Georgia, Schedules 6 and 7 should be used to compute Georgia taxable income.

The tax imposed by this law applies to the entire net income as herein defined, received by every corporation, foreign or domestic, owning property or doing business in this State. Every such corporation shall be deemed to be doing business in this State if it engaged within this State in any activities or transactions for the purpose of financial profit or gain; whether or not such corporation is registered to do business in this State; whether or not it maintains an office or place of doing business within this State; whether or not any such activity or transaction is connected with interstate or foreign commerce. If the business income of the corporation is derived from property owned or business done within the State, and in part from property owned or business done without the State, the tax shall be imposed only on that portion of the business income which is reasonably attributable to the property owned and business done within the State, to be determined as follows:

(1) Interest received on bonds held for investment and income received from other intangible property held for investment are not subject to apportionment. Rentals received from real estate held purely for investment purposes and not used in the operation of the business are also not subject to apportionment. All expenses connected with the interest and rentals realized from such investments are likewise not subject to apportionment but must be applied against the investment income. The net investment income from intangible property shall be allocated to Georgia if the situs of the corporation is in Georgia or the intangible property was acquired as income from property held in Georgia, or as a result of business done in Georgia. The net investment income from tangible property in Georgia shall be allocated to Georgia.

(2) Gains from the sale of tangible or intangible property not held, owned or used in connection with the trade or business of the corporation nor for sale in the regular course of business shall be allocated to the State if the property held is real or tangible personal property situated in the State, or intangible property having an actual situs or a business situs within the State. Otherwise, such gains shall be allocated outside the State.

(3) Net income of the above classes having been separately allocated and deducted, the remainder of the net business income shall be apportioned by application of the following:

THREE FACTOR FORMULA

(a) **Property Factor.** The property factor is composed of the average value of real and tangible personal property owned or rented and used during the taxable year. Property owned is valued at its

original cost. Property rented is valued at eight times the net annual rental rate. The net annual rental rate is the annual rental rate paid less any annual rental rate received from any subrentals. Averaging with respect to rented property is achieved automatically by the method of determining the net annual rental rate of such property.

(b) **Payroll Factor.** The payroll factor is the ratio of all salaries, wages, commissions, and other compensation paid by the taxpayer in this State for personal services performed by employees in connection with the trade or business of the taxpayer during the taxable year to the total salaries, wages, commissions, and other compensation paid by the taxpayer for personal services performed by employees in connection with its entire trade or business, wherever conducted, during the taxable year. Payments made to an independent contractor or any other person not properly classified as an employee are excluded. Compensation is paid in this State if the employee's service outside Georgia is incidental to the service performed in this State or some of the service is performed in Georgia and the base of operations from which the service is directed is in this State, or some of the service is performed in Georgia and the base of operations from which the service is directed is not in any State where some part of the service is performed but the employee's residence is in Georgia.

(c) **Gross Receipts Factor.** The gross receipts factor is the ratio of gross receipts from business done within this State to total gross receipts from business done everywhere. Receipts shall be deemed to have been derived from business done within this State only if received from products shipped to customers in this State, or delivered within this State to customers.

The purpose of the gross receipts factor is to measure the marketplace for the taxpayer's goods and services.

When receipts are derived from the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from products shipped to customers in this state or products delivered within this state to customers.

When receipts are derived from business other than the sale of tangible personal property, receipts shall be deemed to have been derived from business done in this state if they were received from customers within this state or if the receipts are otherwise attributable to this state's marketplace.

(d) The apportionment factors determined above shall be weighted 25% to property, 25% to payroll and 50% to receipts. If the denominator for either the property or payroll factor is zero, the weighted percentage for the other will be 33-1/3% and the weighted percentage for the receipts factor will be 66-2/3%. If the denominator for the receipts is zero, the weighted percentage for the property and payroll will change to 50% each. If the denominators for any two factors are zero, the weighted percentage for the remaining factor will be 100%.

(e) **Apportionment of Income; Business Joint Venture and Business Partnerships.** A corporation which is involved in a business joint venture, or is a general partner in a business partnership, must include its pro rata share of the joint venture or partnership, property, payroll and gross receipts values in its own apportionment formula.

AMENDED RETURNS

Georgia has no special form for the filing of an amended return. Please check the amended return block on Form 600. Copy of Federal form 1120X or federal audit adjustments must be attached. The amended return should be mailed to Georgia Income Tax Division, P.O. Box 740397, Atlanta, Georgia 30374-0397.

NET WORTH TAX

INITIAL FILING AND DUE DATES

A new domestic or foreign corporation doing business or owning property in Georgia must file an initial net worth tax return on or before the fifteenth day of the third calendar month after incorporation or qualification. The initial net worth tax return is based on the beginning net worth (Federal Schedule L) of the corporation and covers the tax from the incorporation/qualification date to the year end. If this return is for a short period of less than six months, the tax due shall be 50%. The initial net worth return cannot be combined with the initial income tax return since the due dates do not coincide.

Thereafter, an annual return must be filed on or before the fifteenth day of the third month following the beginning of the corporation's taxable period.

EXTENSION OF TIME

A reasonable extension of time for filing may be granted by the Commissioner upon application on Form IT-303. It must be filed prior to the date the return is due and show that the delay is due to a reasonable cause. Georgia Law prohibits the granting of an extension of over 6 months from the due date of the return.

If the taxpayer has received from the Internal Revenue Service an extension of time within which to file his Federal return, taxpayer need not apply to the Georgia Department of Revenue for a similar extension of time. All that is required is a copy of the request for the Federal extension be attached to the Georgia return. If the taxpayer is filing a net worth tax return only and no income tax return is due, a separate extension must be applied for and the tax paid. Interest accrues at the rate of 12% per year on any tax due from the regular due date of the return until paid.

A taxpayer having a federal extension must also prepay the Georgia Tax accompanying such remittance with Form 560C. On Form 600, credit for such prepayment should be claimed on line 2, Schedule 3. An extension of time does not alter the interest charges, nor the penalty for late payment of tax.

PENALTIES AND INTEREST

Penalties and interest may be avoided by payment of tax by the statutory due date of the return.

Penalty for delinquent filing--10% of tax due. Penalty for delinquent payment--10% of tax due.

In addition, interest at 12% per annum is due on a delinquent remittance from the date due until paid.

TREATMENT OF SHORT PERIOD NET WORTH TAX RETURN

All corporations filing a short period income and/or net worth Georgia tax return for any reason other than initial or final return shall compute the net worth in accordance with the following instructions:

The net worth tax shall be computed on the net worth per the ending balance sheet of the short period return. The tax is then prorated based on the number of months included in the short period return.

Note: Any short periods ending on the 1st to the 15th day of the month

COMPUTATION OF TAX

The tax is graduated based on net worth. In the case of new corporations, this is the beginning net worth. Thereafter, it is the net worth on the first day of the corporation's net worth taxable year. Net worth is defined to include issued capital stock, paid in surplus and retained earnings. Treasury stock should not be deducted from issued capital stock.

Foreign corporations qualified in Georgia are taxable on the portion of net worth employed within Georgia as computed in Schedule 2, using the ratio computed in Schedule 8. In computing the ratio, the property factors will reflect total balance sheet assets within Georgia and everywhere. The gross receipts factors are determined per instructions on page 2. For net worth tax purposes, a foreign corporation is a corporation or association created or organized under the statutory laws of any nation or state other than Georgia.

Domestic corporations and domesticated foreign corporations are taxable on total net worth (100% ratio) and should not use the ratio computation in Schedule 8. For net worth tax purposes, a domestic corporation is a corporation or association created or organized under the statutory laws of Georgia. A domesticated foreign corporation is a foreign corporation which has agreed under the provisions of Georgia law to be treated as a domestic corporation and to be taxed on total net worth.

A net worth tax return must be filed by a dormant corporation and the tax paid to retain its charter. A foreign corporation admitted into Georgia must file a net worth tax return until it has withdrawn from Georgia. A corporation with a deficit net worth will pay the minimum tax shown in the table below. A corporation which has liquidated and is filing its final income tax return is not liable to file a subsequent net worth tax return.

All cooperative marketing associations are required to file a return using either Form 600 or 600-S, whichever is applicable. The tax on such corporations is \$10.00 per year.

When two or more corporations file a consolidated return for income tax purposes, a separate net worth tax return must be filed by each subsidiary. The parent corporation should file its net worth tax return in Schedule 2 of the consolidated return but use only the parent's net worth for computing the tax due.

NET TAX DUE OR OVERPAYMENT

Schedule 3 provides for the computation of the net tax due or the net overpayment of the two taxes.

Compute any penalty and interest due under the respective taxes and enter the amounts on the applicable lines.

are backed up to the last day of the preceding month. Years ending on the 16th day or later are moved forward to the last day of that month.

EXAMPLE

Corporation A files a three month short period return ending March 31, 1999. The Georgia taxable net worth per the March 31, 1999, balance sheet is \$90,000. The Georgia net worth tax is computed as follows:

Tax per scale \$100.00 x 3/12 = \$25.00 net worth tax due.

NET WORTH TAX TABLE

DOMESTIC AND DOMESTICATED FOREIGN CORPORATIONS

Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus (line 4, Schedule 2).

Not exceeding \$10,000	
Over \$ 10,000.00 and not exceeding 25,000.00	\$ 10.00
Over 25,000.00 and not exceeding 40,000.00	20.00
Over 40,000.00 and not exceeding 60,000.00	40.00
Over 60,000.00 and not exceeding 80,000.00	60.00
Over 80,000.00 and not exceeding 100,000.00	80.00
Over 100,000.00 and not exceeding 150,000.00	100.00
Over 150,000.00 and not exceeding 200,000.00	125.00
Over 200,000.00 and not exceeding 300,000.00	150.00
Over 300,000.00 and not exceeding 500,000.00	200.00
Over 500,000.00 and not exceeding 750,000.00	250.00
Over 750,000.00 and not exceeding 1,000,000.00	300.00
Over 1,000,000.00 and not exceeding 2,000,000.00	500.00
Over 2,000,000.00 and not exceeding 4,000,000.00	750.00
Over 4,000,000.00 and not exceeding 6,000,000.00	1,000.00
Over 6,000,000.00 and not exceeding 8,000,000.00	1,250.00
Over 8,000,000.00 and not exceeding 10,000,000.00	1,500.00
Over 10,000,000.00 and not exceeding 12,000,000.00	1,750.00
Over 12,000,000.00 and not exceeding 14,000,000.00	2,000.00
Over 14,000,000.00 and not exceeding 16,000,000.00	2,500.00
Over 16,000,000.00 and not exceeding 18,000,000.00	3,000.00
Over 18,000,000.00 and not exceeding 20,000,000.00	3,500.00
Over 20,000,000.00 and not exceeding 22,000,000.00	4,000.00
Over 22,000,000.00	4,500.00
	5,000.00

FOREIGN CORPORATIONS

Based on net worth including issued capital stock, treasury stock, paid-in surplus and earned surplus employed within Georgia (line 6, Schedule 2).

Not exceeding \$10,000	\$ 10.00
Over 10,000.00 and not exceeding 25,000.00	20.00
Over 25,000.00 and not exceeding 40,000.00	40.00
Over 40,000.00 and not exceeding 60,000.00	60.00
Over 60,000.00 and not exceeding 80,000.00	80.00
Over 80,000.00 and not exceeding 100,000.00	100.00
Over 100,000.00 and not exceeding 150,000.00	125.00
Over 150,000.00 and not exceeding 200,000.00	150.00
Over 200,000.00 and not exceeding 300,000.00	200.00
Over 300,000.00 and not exceeding 500,000.00	250.00
Over 500,000.00 and not exceeding 750,000.00	300.00
Over 750,000.00 and not exceeding 1,000,000.00	500.00
Over 1,000,000.00 and not exceeding 2,000,000.00	750.00
Over 2,000,000.00 and not exceeding 4,000,000.00	1,000.00
Over 4,000,000.00 and not exceeding 6,000,000.00	1,250.00
Over 6,000,000.00 and not exceeding 8,000,000.00	1,500.00
Over 8,000,000.00 and not exceeding 10,000,000.00	1,750.00
Over 10,000,000.00 and not exceeding 12,000,000.00	2,000.00
Over 12,000,000.00 and not exceeding 14,000,000.00	2,500.00
Over 14,000,000.00 and not exceeding 16,000,000.00	3,000.00
Over 16,000,000.00 and not exceeding 18,000,000.00	3,500.00
Over 18,000,000.00 and not exceeding 20,000,000.00	4,000.00
Over 20,000,000.00 and not exceeding 22,000,000.00	4,500.00
Over 22,000,000.00	5,000.00

NEW CORPORATION? YES ☐ NO ☐
 ADDRESS CHANGE? YES ☐ NO ☐
 NAME CHANGE? YES ☐ NO ☐
 (If YES, please show former name below)



2000560011

STATE OF GEORGIA
DEPARTMENT OF REVENUE
INCOME TAX DIVISION

PAYMENT OF INCOME TAX AND/OR
 NET WORTH TAX TENTATIVELY
 DETERMINED TO BE DUE

		PLEASE DO NOT WRITE IN THIS SPACE	
FEDERAL EI NO.			
Name (Type or print plainly exact corporation title) Please print former name if applicable			
Business Address (Number and Street)			
City or Town	State	Zip Code	Type of Tax [<input type="checkbox"/>] Corporate Income Tax [<input type="checkbox"/>] Net Worth Tax
Income Tax Year	(Month)	(Day)	(Year)
			AMOUNT OF PAYMENT ENCLOSED \$

THE AMOUNT PAID IS TO BE CREDITED AS A PAYMENT ON THE LIABILITY THAT MAY BE DUE AS REFLECTED BY THE COMPLETED RETURN OF THE ABOVE NAMED TAXPAYER. GEORGIA PUBLIC REVENUE CODE SECTION 48-2-31 STIPULATES THAT TAXES SHALL BE PAID IN LAWFUL MONEY OF THE UNITED STATES, FREE OF ANY EXPENSE TO THE STATE OF GEORGIA. MAKE CHECK PAYABLE TO GEORGIA INCOME TAX DIVISION. PLEASE INCLUDE FEI# ON CHECK.

SIGNATURE OF OFFICER OR AGENT _____ **TITLE** _____ **DATE** _____

 PLEASE DETACH ALONG THIS LINE
 AND MAIL TOP PART WITH REMITTANCE

IT-560-C

IMPORTANT
THIS FORM IS TO BE USED BY CORPORATION TAXPAYERS ONLY!
USE INCOME TAX YEAR OF RETURN
PAYMENT OF INCOME TAX AND/OR NET WORTH
TAX TENTATIVELY DETERMINED TO BE DUE

INSTRUCTIONS

**THIS FORM IS TO BE USED TO SUBMIT ANY PAYMENT OF TAX WHEN AN
 EXTENSION IS REQUESTED OR IN FORCE.**

When a taxpayer receives an automatic extension of time in which to file his Federal return Georgia will honor that extension. No penalty for late filing will be assessed if the Georgia return is filed by the extended due date of the federal return. The extension is for filing the return and does not extend the time for paying the tax. The tax must be paid by the statutory due date. An extension of time for filing does not relieve the taxpayer of liability for interest or penalty for late payment of tax.

The amount paid with this form should be claimed on the completed return as other credits.

Mail the completed form above with remittance to Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136.

This form must be submitted with remittance to pay at least 90% of the tax that will be due as reflected on the final return. If 90% of the tax is not paid by the original due date of the return a penalty of 1/2 of 1% per month of the tax due will be assessed as a late payment penalty. The addition of this penalty does not relieve the taxpayer of liability for interest due on the unpaid balance of tax. If you have questions, call (404) 656-4191.

EXTENSION INFORMATION FOR CORPORATIONS

Georgia Code Section 48-7-57 provides that a taxpayer need not apply for a Georgia extension if he applies for and receives an automatic six (6) month extension of time to file his federal income tax return. The taxpayer must attach a copy of the extension granted by the Internal Revenue Service to his Georgia return. If the return is received within the time as extended by the Internal Revenue Service and Form 7004 is attached to the return, no late filing penalties will be incurred.

Failure to attach a copy of the federal extension will result in the return being considered late filed and penalties will be assessed!

If for any reason a federal extension was not requested but an extension is necessary for filing the Georgia return, please submit your request, in duplicate, explaining the reasons why it is necessary to request an extension of time to file your Georgia return. (Use Georgia Form IT-303.)

If any extension is granted and if the tax is not paid by the statutory due date, late payment penalties will be assessed until the tax is paid. (Income tax--1/2 of 1% per month and net worth tax 10%.) Also, interest will be assessed at the rate of 12% per annum from the statutory due date until paid. The late payment penalties and interest will accrue from the statutory due date regardless of any extension. Georgia law prohibits the granting of an extension of over six months from the due date of the return.

Any payment made prior to the filing of a complete return must be accompanied by Form Number IT-560C and claimed on the completed return as other credits.

TELEPHONE ASSISTANCE

CENTRALIZED TAXPAYER REGISTRATION UNIT	404-651-8651
EMPLOYEE WITHHOLDING INFORMATION	404-656-4181
CORPORATION AND NET WORTH TAX RETURN INFORMATION.....	404-656-4165-6
INDIVIDUAL INCOME TAX RETURN INFORMATION	404-656-4071
CORPORATION REFUND INQUIRY	404-656-4173
CORPORATION RETURN PROCESSING, FORMS, ESTIMATES AND PREPAYMENT OF TAX.....	404-656-4191
INCOME TAX FORMS	404-656-4293
ESTATE AND TAX EXEMPT ORGANIZATION INFORMATION	404-656-7043
INCOME TAX DIRECTOR'S OFFICE.....	404-656-4095
COMPLIANCE DIVISION	404-656-0600
ELECTRONIC FUNDS TRANSFER	404-651-8400

or 1 (800) 659-1855

GEORGIA BUSINESS CREDIT

Job Tax Credit

The act provides for a statewide job tax credit for certain business enterprises that have hired sufficient numbers of employees. Three tiers for the credit have been established. For additional information or Form IT-CA, contact the Office of the Commissioner of Community Affairs at (404) 679-1592.

Investment Tax Credit

The Investment Tax Credit program, available to manufacturers and telecommunications companies, is based on the same tiers as the Job Tax Program. The taxpayer must spend at least \$50,000 on an expansion project to qualify. The amount of credit increases for investments for recycling, pollution control and defense conversion activities. Taxpayers must elect to claim either the investment tax credit, the optional investment tax credit or the job tax credit for their operations in Georgia, but only one credit for a given project.

To be eligible for the investment tax credit, a taxpayer must purchase or acquire qualified investment property pursuant to an approved project plan (use Form IT-APP). The investment tax credit is computed on form IT-IC and is claimed on line 3, Schedule 3 as "other credits."

Optional Investment Tax Credit

The optional investment credit is similar to the regular investment tax credit. However, there are higher spending thresholds. Companies with projects of \$5 million, \$10 million, or \$20 million depending on whether the facility is located in a tier 1, tier 2 or tier 3 county, respectively, may qualify. This credit provides for higher credit amounts as well as a 10-year calculation. As indicated with the regular investment tax credit above, prior approval is required (use Form OIT-APP). The Optional Investment Tax Credit must be computed on Form OIT-IC and claimed on line 3, Schedule 3 of the Form IT-600 as "other credits".

Retraining Tax Credit

Retraining programs must enhance the functional skills of employees otherwise unable to function effectively on the job due to skill deficiencies or who would otherwise be displaced because such skill deficiencies would inhibit their utilization of new technology. The Retraining Tax Credit must be computed on a Form IT-RC and claimed on line 3, Schedule 3, as "other credits." For a copy of the Retraining Tax Credit Procedures Guide, contact the Department of Technical and Adult Education at 404-679-1700.

Child Care Credit

For tax years beginning on or after January 1, 2000, the State of Georgia has a new and improved child care credit. Employers who provide or sponsor child care for employees are eligible for two possible credits. The first option provides a credit, which is 75% of the cost of operations, less any amount paid by employees. The second option provides a 100% write off over ten years for an employer who builds an onsite day care center. The credits are to be claimed on the Forms IT-CCC75 and IT-CCC100 and are claimed on line 3, Schedule 3, as "other credits".

Research Tax Credit

For tax year beginning on or after January 1, 1998, Georgia provides for a Research Tax Credit. Business enterprises that qualify for the federal Research Tax Credit may also qualify for a credit against their Georgia Income Tax. The credit is claimed on a Form IT-RD. For more information call the Tax Conferee's Office at 404-656-4171.

Small Company Business Growth Tax Credit

For tax years beginning on or after January 1, 1998 Georgia introduced a credit to reward rapidly growing small businesses. If your company has a Georgia taxable income of less than \$1.5 million then you may qualify. This credit rewards business enterprises which can show a 20% increase in Georgia net taxable income in each of three years. This credit is claimed on a form IT-RG.

Port Activity Tax Credit

To increase usage of Georgia Ports, a port activity tax credit has been established. For tax years beginning on or after January 1, 1998, taxpayers who otherwise qualify for the job tax credit or the investment tax credits can qualify for enhanced credit values from these tax credits. To qualify for the credit, the taxpayer must increase port traffic (as measured in net tons, containers or twenty-foot equivalent units) by 10% above their base year amount. For more details about this credit, call the Tax Conferee's Office at 404-656-4171.

In claiming each credit, please attach the form used to compute the credit. Each of the tax credits is available to offset income tax only, not net worth tax. Taxpayers must elect the investment tax credit, the optional investment tax credit or the job tax credit for their operations in Georgia, but only one for a given project. For more details about credits and the latest forms, please visit our website at: www2.state.ga.us/departments/dor/inctax/taxcredits.shtml or call the department and request the publication, "Information on Income Tax Credits for Georgia Businesses."

EXEMPT ORGANIZATIONS

An organization that had tax exempt status with the Internal Revenue Service prior to January 1, 1987 is not required to apply to the Georgia Income Tax Division for a tax exempt determination letter. Organizations that received IRS determination letters after that date, as well as any organization desiring a Georgia income tax determination letter for any reason, must make application using Georgia form 3605. A non-profit corporate charter does not constitute exemption from income tax.

Each exempt organization must annually file a copy of the forms they file with the Internal Revenue Service, such as Federal forms 990, 990-EZ, etc. The due date for filing the copy of the Federal return with Georgia is the same as the due date for filing with the Internal Revenue Service.

An exempt organization that has unrelated business income from Georgia sources must file Georgia form 600-T annually, and pay income tax at the rate of 6%. The due date for filing the return and paying the tax is the same as the due date for filing Federal form 990-T with the Internal Revenue Service.

Any correspondence relating to exempt organizations should be addressed to:

**Georgia Income Tax Division
Post Office Box 740385
Atlanta, Georgia 30374-0385**

NEW INFORMATION

The following house bills were passed by the 1999 legislature:

HB 147 (O.C.G.A. §48-7-29.3) This bill provides for a tax credit of \$25 per employee for any “qualified transportation fringe benefit” provided by an employer to any employee as provided in Section 132(f) of the Internal Revenue Code of 1986, as amended. This credit is effective for tax years beginning on or after January 1, 2001.

HB 438 (O.C.G.A. §48-7-42) This bill authorizes members of an affiliated group of corporations to assign any earned income tax credit to another member of the taxpayer’s affiliated group as defined in section 1504 of the Internal Revenue Code.

HB 610 (O.C.G.A. § 48-7-40.6) This bill describes a new and improved child care credit. Now 75% of the cost of operations less any amounts paid by employees represents the credit claimed. New with this bill is a second credit that allows a 100% write off over ten years for depreciable assets, which are purchased in establishing a child care center. The new child care provisions are effective for tax years beginning on or after January 1, 2000.

If you have any questions about any of these new laws call the corporate tax conferee’s office at 404-656-4171.

If your corporation makes quarterly estimate payments of \$10,000 or more you may be required to make those payments via electronic funds transfer (see page 9).

The Department’s web site can be accessed at www2.state.ga.us/departments/dor/. Georgia law can be found at www.ganet.org/services/ocode/ocgsearch.htm. Complete copies of the bills are available at www.ganet.org/services/leg/pleg.cgi?year=1999&billtype=HB.

CORPORATION ESTIMATED TAX INSTRUCTIONS

CORPORATION WHICH MUST FILE ESTIMATED TAX.

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

The Following percentages of the estimated tax shall be paid on the fifteenth day of the:				
	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 ¹ / ₃ %	33 ¹ / ₃ %	33 ¹ / ₃ %
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

All Corporate Income Tax must be paid directly to the Income Tax Division. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

Form 602ES shall be delivered or mailed to **State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136**. Check or money order in payment of tax should be made payable to: **"Georgia Income Tax Division."** Include federal employer identification number on check.

NEW ESTIMATED FILERS

If upon completion of the worksheet on page 9 you determine that you are liable to file estimated tax, please mail your initial payment along with written notification of your new filer status. This notification should include the complete corporate name, address, telephone number, Federal employer identification number, and taxable year. Shortly after the department processes the initial payment and new filer account data, you will receive a personalized coupon booklet containing Forms 602ES to be used for paying remaining installments due.

Department of Revenue
Corporation Estimated Tax
P.O. Box 105136
Atlanta, Georgia 30348-5136
Telephone No. (404) 656-4191

SHORT TAXABLE YEAR

A separate estimate must be filed where a corporation is required to submit an income tax return for a period of less than twelve months. No estimate need be filed if the taxable year is a short period of less than four months, or if the taxable year is a short period of four or more months and the requirements specified are first met after the first day of the last month in the short taxable year.

Please Note: Those Corporations required to file estimated tax for a short taxable period or whose accounting period has changed should contact the Georgia Income Tax Division for appropriate estimated tax forms.

**Georgia Income Tax Division
Department of Revenue
Corporation Estimated Tax
P.O. Box 105136
Atlanta, Georgia 30348-5136
Telephone No. (404) 656-4191**

Penalties. Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at the rate of 9% per annum for underpayment of estimated tax.

CORPORATION ESTIMATED TAX WORKSHEET

1. Amount of taxable income expected during the current year \$ _____

2. Estimated Tax (6 percent of Line 1) \$ _____

3. Less Credit for 1999 overpayment if credit was elected on Form 600 \$ _____

4. Unpaid balance (Line 2 less Line 3) \$ _____

5. Computation of installment: (check box below and enter amount.) \$ _____

If first payment is ☐ April 15, 2000, enter 1/4 of Line 4 ☐ Sept. 15, 2000, enter 1/2 of Line 4

due to be filed on ☐ June 15, 2000, enter 1/3 of Line 4 ☐ Dec. 15, 2000, enter amount of Line 4

Amount Due \$ _____

Corporations filing on fiscal year ending after January 1, must file on corresponding dates. See instructions.

ELECTRONIC FUNDS TRANSFER

In accordance with Georgia Law (OCGA 48-2-32(f)(2)), the Department currently requires corporate estimate tax-payers with quarterly payments of \$10,000 or more to make those payments via electronic funds transfer. As the threshold is lowered, corporate taxpayers will be provided with registration forms and instructions. EFT Section (404) 651-8400 or 1-(800) 659-1855.

DOUBLE CHECK

Please review your completed return.

Did you use the label? If so, is all information on the label correct?

If you did not use the label, is your corporate name, address, and Federal I.D. number correctly shown on the return?

Is your taxable year shown on return?

Did you receive an extension of time to file your return? If so, have you attached a copy of your extension?

Have you attached a copy of your Federal Form 1120 and supporting schedules?

If there is a tax due (on Line 9, Schedule 3), have you attached your remittance, payable to: Georgia Income Tax Division? (To insure proper credit, put your Federal I.D. and tax year ending number on your remittance.) **PLEASE DO NOT MAIL YOUR RETURN AND CHECK SEPARATELY!**

If there is an overpayment (on Line 10, Schedule 3), did you show amount to be refunded and /or amount to be credited to estimate?

Have you addressed your envelope properly? Do not send your Georgia Form 600 to the Internal Revenue Service.

If you claimed Georgia Business credits, did you attach the required schedules?

COMMON ERRORS THAT DELAY REFUNDS AND CREATE ASSESSMENTS

1. Incorrect addresses and Federal I.D. numbers.
2. Failure to indicate proper taxable year ending.
3. Incomplete Georgia return, making reference to attached schedules.
4. Incorrect consolidation of net worth tax for parent and subsidiary corporations.
5. Claiming prepayments remitted under another name, Federal I.D. number, or taxable period without attaching a schedule of detailed information.
6. "S" corporations filing on Form 600. Correct form to use is 600-S.
7. Improper enclosure of Form IT-552, application for tentative carry-back adjustment. Form IT-552 should be attached to face of Loss-Year return.

BASIC SKILLS EDUCATION CREDIT

Section 48-7-41 of the Georgia Code Annotated created the Basic Skills Education Credit. Business enterprises may benefit by providing or sponsoring basic skills education that enhances reading, writing, or mathematical skills up to and including the 12th grade. The program will be administered by the Department of Technical and Adult Education. For information, contact them at (404) 679-1625.

Basic Skills Education Credit available for offset against income tax per this return should be claimed on line 3 of Schedule 3 as "Other Credits" and supported by a completed copy of Georgia Form IT-BE.

TO: _____

CHILD CARE

Governor Roy Barnes sponsored House Bill 610 during the 1999 session of the Georgia General Assembly. This bill, which was signed into law March 31, 1999 and is effective for tax years beginning on or after January 1, 2000, greatly enhanced the existing child care statute and includes two different kinds of corporate tax credits: one for employers who construct onsite child care facilities and one for employers who provide or sponsor child care for their employees. The idea behind the tax credits is to encourage employers to assist their employees in meeting their work and family responsibilities. The bill passed overwhelmingly by the General Assembly.

The Governor's initiatives consist of two components:

- 1. Increasing the current tax credit from 50% to 75% for employers that provide on-site child care or sponsor child care for their employees. The amount of the credit will be 75% of the cost incurred by the employer less any amount paid by the employees.
- 2. Providing a new tax credit to businesses that construct on-site child care facilities for the children of their employees. The credit would allow for a 100% write off of the construction cost over a 10-year period.

These initiatives recognize the realities of the modern workforce, especially how difficult, and how important, it is for working parents to have access to quality child care. As an employer in Georgia, please consider the benefits to you (decreased absenteeism, recruitment incentive, increased employee retention) and to your employees. If you would like more information about the tax credits please call the Corporate Tax Conferee's Office at 404-656-4171.

FACTS AT A GLANCE

Working Parents in Georgia

Percentage of parents with children younger than 6 in the Labor force64%

Percentage of parents with children between the ages of 6 and 17 in the labor force77%